



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

**BOARD MEETING MINUTES
January 12, 2012
Los Angeles County Transportation Authority
1 Gateway Plaza, Board Room
Los Angeles, CA
(Approved 2-2-12)**

The public meeting of the California High-Speed Rail Authority Board was called to order on January 12, 2012 at 10:10 am at Los Angeles County Transportation Authority, Los Angeles, CA.

Members Present: Thomas Umberg, Chairman
Lynn Schenk, Vice-Chair
Tom Richards, Vice-Chair
Jim Hartnett
Dan Richard
Michael Rossi
Bob Balgenorth
Russell Burns

Members Absent: None

Pledge of allegiance was administered by Board Member Jim Hartnett.

Minutes prepared in the order items were presented during the meeting.

Public Comment

An opportunity was made for public comment. There were a great number of people who spoke in support of the project with an emphasis on jobs, long-term benefits, and the Palmdale alignment. There were also some people who spoke in opposition to the project with a concern over fiscal matters and the Central Valley starting location.

Agenda Item # 1 – Approval of Meeting Minutes

The minutes from the December 13, 2011 meeting were not ready for approval and were put over to the next meeting by Chairman Umberg. There was no opposition.

Agenda Item # 2 – Outreach and Communication

Director of Communications Lance Simmens presented a report and proposal to the Board which would consolidate public outreach functions and communication functions and allow these activities to be done in-house rather than through a statewide communications contract. The short term need is to hire six staff (additional to budget) to work in the central office as well as to establish three Regional Communications Directors, to be contracted directly with the Authority. An organizational chart was presented with a goal of strengthening the communications network and public outreach activities. The board's support was required to ensure that the additional staff could be hired. Mr. Umberg requested that this item be heard again at the next board meeting so

that updates to the progress can be given. Mr. Richards moved to approve and go forward with the proposed organizational chart and hiring needs; seconded by Mr. Rossi. Motion passes unanimously. (8-0)

Agenda Item # 3 – Presentation by the Fresno Regional Workforce Investment Board

Mr. Richards recused himself from this item as he is the chair of the Fresno Regional Workforce Investment Board. Mr. Tom Fellenz narrated a PowerPoint presentation to go through the terms of the Workforce Investment Board's proposal and to discuss the FRA's letter and what the final decision is at the staff level. The proposal defined a "targeted unemployment worker" hiring criteria. The goal is to hire workers from areas of high unemployment on the high-speed rail project. The criterion requires that 30% of all construction work hours be performed by targeted unemployed workers. It also requires that these workers have to be unemployed and they also have to reside in targeted unemployed areas, which is going to be designated by the California Employment Development Department. They are also proposing that the Authority have a contract requirement that 50% of all construction apprentice hours be performed by these targeted unemployed workers. The proposal also incorporates a "first source" transparency requirement. In this requirement, high-speed rail contractors are required to notify High-Speed Rail and what are called "authorized referral entities" of job openings. These entities are located within the six county first construction phase area. The FRA's response to the proposal was that the targeted unemployed workforce program as proposed conflicts with the US Department of Transportation and FRA's general disapproval of local or in-state geographical preferences. This could have potential negative impacts on open and competitive procurement procedures. To be compliant with FRA's policy direction and to avoid conflict with the federal policy, the High Speed Rail Authority staff and management is not in favor of the Fresno Regional Workforce Investment Board proposal. To further evaluate the proposal and the FRA response and concerns, a committee will be appointed to research the proposal and FRA letter. The findings will be addressed and shared with the Board at a later date. Chairman Umberg appointed to the committee: Mr. Rossi, Mr. Burns, and Mr. Balgenorth.

Agenda Item # 10 – Closed Session Pertaining to Litigation

The Board moved into closed session and returned with nothing to report.

Agenda Item # 4 – Central Valley-Los Angeles Basin Mountain Crossing (I-5 Grapevine alignment)

Mr. van Ark introduced Mr. Mike Gillam and Mr. John Howley to give the presentation for this item. The EIR/EIS studied several corridors in a 2005 study that would be suitable to the project. The programmatic recommendation selected the Antelope Valley corridor because it had fewer environmental impacts, it had less seismic risk, it had less tunnel and constructability issues, greater opportunity for alignment variations to minimize impacts, and it had better accessibility to L.A. County. Due to a vast change in the parameters for the Antelope Valley alignment a new study on the I-5 Grapevine corridor was requested to ensure that new conditions and factors would not justify reconsideration of the originally proposed route. The study included environmental constraints, seismic activity, fault zones, the Tehachapi mountain range, and land use constraints. Software was used to generate alternative alignments and feasible corridors. The viable alignments were compared and studied further including also community, stakeholder, and capital cost issues. The conclusion of the study is that although there are potentially viable alignments following the I-5 Grapevine corridor, the study has not found significant environmental, capital cost or travel time savings for this I-5 alignment. The study concludes that the Antelope Valley corridor remains the best option. Mr. Richard moved to go forward with the Antelope Valley corridor alignment as planned; Mr. Rossi seconded. Motion passes unanimously. (8-0)

Agenda Item # 5 – Legislative Update

Ms. Karen Greene Ross gave an update on current legislative activity. Senator La Malfa's SB22 did not get out of the Transportation and Housing Committee on a vote of six to three. However Assembly member Harkey reintroduced the concept in her AB1455, which would abolish the high speed rail. The Legislative Committee consultants are waiting on the final Business Plan before moving forward with any legislative hearings. There is a reorganizational proposal in the Governor's 2012 budget which would not change the structure of the High Speed Rail Authority or its Board, but would move it under the new proposed Transportation Agency. Assembly member Lowenthal may be reintroducing the language she had in last year's AB 615 on the right-of-way acquisition process.

Agenda Item # 6 – Presentation of the Station Area Planning activities

Mr. Greg Albright gave a presentation on station area development. A funding program was developed that approved \$200,000 of Prop 1A funding per city that has a station, with varied Federal funds based on the size of the city. The benefits with this development around the high speed rail will positively affect local jurisdictions, the residents, and the environment. The proposed stations have the ability to transform cities and bring in business, residential, and retail and increase the economic development of these cities. Therefore, the focus of these stations will be to create downtown centers and promote them. The next step is having Regional Transit authorities to offer transit connectivity throughout the region. The goal is to build sustainable relationships with the communities to ensure positive growth. In November, funding agreements went out to the designated cities. Fresno returned their agreement on December 30th and it is close to being approved..

Agenda Item # 7 – Presentation by the National Renewable Energy Laboratory (NREL)

Mr. Greg Albright and Ms. Eliza Hotchkiss gave a presentation on renewable energy goals of the high speed rail system. The National Renewable Energy Lab (NREL) joined the Authority in creating the scope of work and the Strategic Energy Plan. One of the outcomes was that energy efficiency should be the rail's first consideration. The three main goals of the plan are; to power the high-speed train system with 100% renewable energy, to foster a robust, sustainable economy in California, and to enact best practices for energy sustainability. The next part of the presentation was given by Ms. Christina Larney. The issues of implementation of the Strategic Energy Plan were outlined in the presentation. The focus was on sustainability framework and the net-zero approach. This approach is buying or producing enough renewable energy to feed into the grid, equal to the amount that is consumed by project operations. The presentation concludes that we are making good sound business, environmental and citizenship decisions.

Agenda Item # 9 – Chief Executive Officer's Report

Mr. Roelof van Ark spoke about the Governor's budget and the support of the High Speed Rail project. This budget will be amended to include the capital outlay for the ICS construction phase. Mr. van Ark also spoke to the RFQ for that initial construction. The RFQ responses for Package 1, were received on December 19th. The short list of qualified contractors should be available by the end of January. These contractors will then have the ability to comment on the RFP in early February. The revised Bay Area to Central Valley EIR document was released for a 45-day comment period, addressing the issues raised by the judge in the Atherton case. It is also available on the Authority's website. On January 4, 2012 the legislative Peer Group reported its findings of the High Speed rail Authority Funding Plan. The report was responded to by the Authority in writing. The Bureau of State Audits has conducted their follow-up audit to the High Speed Rail Authority and they are busy finalizing their audit response and reports. There have been some positive meetings with supportive outcome from The Silicon Valley Leadership Group, Mayor Ed Lee of San Francisco, the City of San Mateo, County area Chambers of Commerce, and the City Council of San Mateo. On the issue of right-of-way acquisition budget approval, the Authority is still waiting for a response from the Department of Finance. It is basically approved but has not yet been formally received. Staffing at the Authority is still progressing and the Risk Management position should be filled very soon. Mr. van Ark praised and thanked Mr. Dan Leavitt and Ms. Rachel Wall, both of whom have left the Authority, for their dedication and hard work on the project. The authority currently has 28 ½ positions filled out of a potential 54 for the fiscal year. Mr. van Ark announced that he will be resigning from the Authority in two months, but has been requested by the board and the Governor's Office to stay on as a senior advisor to the board.

Agenda Item # 8 – Member's Report

Chairman Umberg and each Board Member gave many words of praise and thanks to Mr. Roelof van Ark for his dedication and passion to this project. Many also spoke to the leaving of Rachel Wall, Dan Leavitt and Board Member Toledo, whose term has expired. Chairman Umberg announced his decision to step down as Chairman, but will remain on the Board. He clarified that the project would be well served during this busy phase, by a chairperson who could dedicate most of his/her time to the Authority, which he was not able to do due to his activities as partner of a law-firm. At the next Board meeting a new Chairman will be elected. Chair Umberg nominated Dan Richard as Chairman. An election will take place at the next board meeting. A committee was formed to find a new CEO which consists of: Ms. Shenk, Mr. Richards, Mr. Richard and Mr. Umberg.

Agenda Item # 11 – Presentation of the Draft 2012 Business Plan

Mr. van Ark gave an update on the draft business plan. The last few board meetings were in different areas of the state with the aim to get feedback and public comment on the draft business plan. There have been legislative hearings on the draft business plan and many valuable public comments have been received. As the deadline for public comments approaches, reports will be generated to show the topics and areas to revise in the final business plan. Once the comments have all been received and processed, an update will be given to the Board as to the finalization for the Business Plan.

There were a few additional public comments in favor and against the Draft Business Plan after the presentation.

Chairman Umberg adjourned the meeting at 3:07 pm.